

Message Text

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71

ACTION AF-06

INFO OCT-01 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

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R 111300Z MAR 76

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 1704

CONFIDENTIAL CONAKRY 0498

E.O. 11652: GDS

TAGS: EMIN GV US

SUBJECT: STATUS OF GUINEAN OFFSHORE OIL EXPLORATION

1. GUINEAN OFFICIAL (SEKOU CAMARA OF STATE COMMITTEE) TOLD EMBASSY MARCH 9 THAT GOG DEEPLY CONCERNED AT LACK OF PROGRESS IN OFFSHORE OIL EXPLORATION. BUTTES INTERNATIONAL, US PARTNER IN JOINT COMPANY SOGUIN, HAD PROMISED GOG THAT OIL RIG WOULD BE IN GUINEAN WATERS BEFORE END OF FEBRUARY 1976. THIS PROMISE HAS FOLLOWED SEVERAL OTHERS OVER PAST YEAR, WHICH BUTTES HAS NOT BEEN ABLE TO KEEP.

CAMARA SAID THAT BUTTES HAD NOT MET ANY OF DEADLINES SET BETWEEN COMPANY AND GOG. STATE COMMITTEE HAS NOT PURSUED THIS RECENTLY BECAUSE OF MONTH-LONG ABSENCE MOUSSA KIAKITE, BUT WOULD DO SO IN COMING DAYS.

2. AS EMBASSY UNDERSTANDS, BUTTES AND GOG SET FINAL DEADLINE OF MARCH 17, 1976, BY WHICH TIME BUTTES MUST HAVE INVESTED ONE MILLION DOLLARS IN OIL EXPLORATION. IT IS CLEAR THAT THIS COMMITMENT WILL NOT BE MET EITHER.

3. F.Y. I. SOGUIN PRESIDENT FRANK WALSH HAS BEEN IN AND OUT OF CONFIDENTIAL

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CONAKRY OVER PAST MONTHS. HE RECENTLY FELL ILL AND RETURNED TO

HOUSTON. DURING RECENT CONTACTS WITH EMBASSY, WALSH HAS APPEARED INCREASINGLY DISCOURAGED, EVEN DESPONDENT, ABOUT PROGRESS IN SETTING UP HIS LAND-BASED CAMP FOR SOQUIP, AND, MORE IMPORTANTLY, ABOUT PROSPECTS FOR GETTING OIL RIG HERE. HE HAS CONFIDED THAT BUTTES IS HAVING PROBLEMS RAISING NECESSARY CAPITAL AND IN FINDING DRILLING RIG. EMBASSY AWARE THAT BUTTES HAS APPROACHED HALCO, AND PROBABLY OTHER US COMPANIES AS WELL, FOR FINANCIAL PARTICIPATION (HALCO DECLINED). WALSH HAS ALSO HINTED THAT BUTTES IS LOOKING FOR A WAY OUT OF ITS COMMITMENT, AND MIGHT WELCOME SOME OTHER US OR EUROPEAN COMPANY TAKING OVER ITS CONCESSION. END FYI.

4. WE MUST LEARN MORE OF BUTTES' INTENTIONS AND PROSPECTS FOR BEGINNING EXPLORATION IN NEAR FUTURE IN ORDER TO PREPARE FOR INEVITABLE IMPATIENT DEMARCHES TO USG FROM GOG. AMBASSADOR WOULD LIKE TO CONTACT SENIOR BUTTES OFFICIAL OTHER THAN WALSH TO TALK THIS OVER NEXT WEEK. AF/W MIGHT TRY TO IDENTIFY SUCH AN EXECUTIVE WHO COULD COME TO WASHINGTON OR AT LEAST TALK ON PHONE.

HARROP

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Message Attributes

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